



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2003

Introduced 2/7/2008, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-142.2 new
40 ILCS 5/7-173.3 new
30 ILCS 805/8.32 new

Amends the Illinois Municipal Retirement Fund Article of the Illinois Pension Code. Provides that, in lieu of the retirement annuity otherwise provided under the Article, any municipal electrical worker who (i) has 25 or more years of service in that capacity; (ii) is at least 50 years of age; and (iii) terminates service on or after the effective date of the amendatory Act shall be entitled at his or her option to receive a monthly retirement annuity for service as a municipal electrical worker computed by multiplying 3% for each year of such service by his or her annual final rate of earnings and dividing by 12. Requires a municipal electrical worker who makes the election to make an additional contribution of 3.5% of earnings. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 18953 AMC 45118 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by adding
5 Sections 7-142.2 and 7-173.3 as follows:

6 (40 ILCS 5/7-142.2 new)

7 Sec. 7-142.2. Municipal electrical workers. In lieu of the
8 retirement annuity provided by subparagraph 1 of paragraph (a)
9 of Section 7-142, any municipal electrical worker who (i) has
10 25 or more years of service in that capacity; (ii) is at least
11 50 years of age; and (iii) terminates service on or after the
12 effective date of this amendatory Act of the 95th General
13 Assembly shall be entitled at his or her option to receive a
14 monthly retirement annuity for service as a municipal
15 electrical worker computed by multiplying 3% for each year of
16 such service by his or her annual final rate of earnings and
17 dividing by 12.

18 If a municipal electrical worker has service in any other
19 capacity, his or her retirement annuity for service as a
20 municipal electrical worker may be computed under this Section
21 and the retirement annuity for his or her other service under
22 Section 7-142.

23 In no case shall the total monthly retirement annuity under

1 this Section exceed 80% of the monthly final rate of earnings.

2 (40 ILCS 5/7-173.3 new)

3 Sec. 7-173.3. Additional contribution by municipal
4 electrical workers.

5 (a) Each municipal electrical workers shall make an
6 additional contribution of 3.5% of earnings. This additional
7 contribution shall be payable for retroactive service periods
8 that the employee elects to establish and to periods of
9 authorized leave of absence.

10 (b) If the employee is awarded a retirement annuity under
11 Section 7-142 and not under Section 7-142.2 of this Code, then
12 the additional contribution required under this Section shall
13 be refunded with interest or paid as provided in subsection
14 (c). If the employee returns to a participating status as a
15 municipal electrical worker, the employee may repay the amount
16 refunded with interest and upon subsequent retirement be
17 entitled to a recomputation of the retirement annuity under
18 Section 7-142.2 if the total service as a municipal electrical
19 worker meets the requirements of that Section.

20 (c) Instead of a refund under subsection (b), the retiring
21 employee may elect to convert the amount of the refund into an
22 annuity, payable separately from the retirement annuity. If the
23 annuitant dies before the guaranteed amount has been
24 distributed, the remainder shall be paid in a lump sum to the
25 designated beneficiary of the annuitant. The Board shall adopt

1 any rules necessary for the implementation of this subsection
2 (c).

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.32 as follows:

5 (30 ILCS 805/8.32 new)

6 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
7 of this Act, no reimbursement by the State is required for the
8 implementation of any mandate created by this amendatory Act of
9 the 95th General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.